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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000074

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SUBJECT: SPEAKER LOOKING TO BUILD HOUSE, ECONOMY

Classified By: Charge' Lisa Piascik, reasons 1.4 (b) and (d)

11. (C) Summary: Nigeria's Speaker of the House, Oladimeji Bankole, expressed his determination to make the National Assembly a co-equal branch of government. He expects to visit Washington in February and will seek U.S. support for his efforts. He says his approach is to "follow the money" to ensure that public funds build public infrastructure. He has told President Yar'adua that he supports a bilateral investment treaty with the United States. He is pleased that the USG is engaged in identifying impediments to investment, welcomes advice on specific issues such as the development of project financing models, and believes that U.S. firms should play a major role in resolving Nigeria's infrastructure challenges. He supports debt relief for Liberia and is scheduling a vote on the measure currently pending before the house. End summary.

12. (C) Pol Couns, Econ Couns, and Poloff covering National Assembly had opportunity to discuss a number of key issues with House Speaker Oladimeji Bankole when the speaker visited Embassy consular section on January 10. The speaker stayed at Embassy beyond his expedited visa processing appointment to do justice to the conversation. His detailed comments on developments related to the Economic and Financial Crimes Commission are being reported septel.

13. (C) Bankole referred repeatedly to his determination to make the National Assembly into a bona fide separate branch of government. He said "The West" had become so enamored with former President Obasanjo that other countries interested in Nigeria's well being had in the past ignored the need to support the development of the Assembly. He recently visited London and has set up a working relationship with his U.K. counterpart. He is looking to visit Washington in February to identify specific ways the U.S. can assist his efforts at institution building within the Nigerian House of Representatives. Econcouns told Bankole that AF DAS Todd Moss would be visiting Abuja this month. Bankole immediately invited DAS Moss to visit him at the Assembly to discuss policy issues and the speaker's plans to develop the House.

14. (C) Turning to economic issues, Bankole said his approach is to "follow the money" to ensure that public funds are used to build infrastructure and provide other services to ensure a better future for average Nigerians. He acknowledged the culture of corruption associated with public positions and said the personal loyalties affected many policy and program issues behind the scenes. He emphasized that he is proceeding step by step to institutionalize reforms.

15. (C) As an example, he cited the Assembly's decision to

force ministries and other spending agencies to return unspent 2007 funds to the treasury to ensure those could be properly supervised. He said he might consider future supplemental appropriations to address critical infrastructure needs, but right now he simply wanted to ascertain what was happening with budgeted funds and to work to force revenue collection agencies to turn over the funds they collect rather than enriching individuals. To illustrate the challenges he and others are facing, he noted a federal power project in Plateau State where four to five billion naira (USD 34-42 million) had already been expended but not even the design study had been completed. The Speaker estimated that 25 percent of the moneys provided to states is stolen. He emphasized, however, that his focus was on gaining control of national-level funds. In that vein, he commented, "The Delta problem will be solved when people in the Delta decide to solve it."

16. (C) The Speaker said he was establishing a select committee to review the use of donor funds. He acknowledged Polcouns point that any misuse of donor funds paled in comparison to illicit use of domestic revenues. He said that review of donor funding and projects was one means for him to set a new standard of ensuring all/all projects are completed as intended. He will put a strong emphasis on developing strong committee and subcommittee working capacity and will look to the U.S. and others for advice, guidance, and support. House ethics will be a particular area of focus, he said.

17. (C) Econcouns briefed Bankole on the Trade and Investment Framework Agreement between the U.S. and Nigeria. When Econcouns made a somewhat detailed case for lower tariffs and elimination of import bans, the otherwise animated and attentive speaker wore a face that projected, "How did I get

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in the econ class by mistake?" When Econcouns noted that Ambassador Sanders and President Yar'Adua had discussed the possibility of a bilateral investment treaty (BIT), Bankole became excited again and said, "Now that's something I'm interested in!" He said that he and the president had discussed the possibility of a U.S.-Nigeria BIT and he told Yar'Adua that the idea had his full support. When Econcouns noted that the USG includes much of our trade agenda in the BIT process and that we put a strong emphasis on national treatment, the speaker commented that if the president's staff recommended a BIT because it was beneficial to both the U.S. and Nigeria, that was what mattered. More broadly, he expressed his support for identifying and removing impediments to investment. He stated his high regard for U.S. infrastructure firms and said that U.S. business involvement was essential for Nigeria to resolve its infrastructure woes and attain its economic goals. He was pleased that the USG is engaged in addressing specific related issues, such as the need for the banking sector to embrace project financing models.

18. (C) Econcouns queried the speaker on status of Assembly consideration of President Yar'Adua's proposal to provide debt relief for Liberia. Bankole said he had assured the president that the House would support the debt relief measure and that he had just instructed his chief of staff to schedule the measure for a vote. He commented that the amount of relief was minor compared to the investment Nigeria had already made in Liberia's well-being. He said he would insist on sending a trade delegation to Liberia as its economy recovered so that Nigerian businesses could benefit from doing business there.

19. (C) Comment: While Bankole is given to colorful use of slang in informal conversation, he has developed considerable gravitas since the days immediately after his election as speaker, when he publicly expressed elation upon learning his new position allowed him use of presidential aircraft. He comes across as passionate and sincere in wanting to change

Nigeria's culture and system of corruption, and thoughtful in the systematic, long-term approaches he is using to that end.
PIASCIK